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Date: 10 January, 1991

Mr. Wayne Hedberg
Dept. of Natural Resources
Div. of Oil, Gas, & Mining

355 West North Temple, 3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

From: Roy Benson

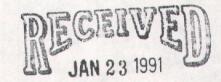
Division Manager - Mining

RFD #1 Box 20-B

Santaquin, Utah 84655

Subject:

Southern Utah Properties



DIVISION OF OIL, GAS & MINING

Dear Wayne,

As per our discussion by phone on January 10, we are running a study that could drastically affect our long range plans for our properties in Southern Utah.

Under Item 5 we still have the acreage discrepancy on the acreage within the Mountain Lion pit area, in reference to the letter from DOGM dated July 22, 1988, 80 acres of the dump was released from bond obligation. I show 53 acres inside the pit under bond. It is my intention that by mid summer we will have a plan in effect so both parties know the extent of our obligations.

Sincerely

Roy Benson